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Israel

Poultry and Products

2000

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Report Highlights:
The value of Israel's poultry production represents 20 percent of total agricultural production. In 1999 it reached NS 2.7 billion. Broiler production totalled 89,000 mt and turkey production another 86,000 tons. Table egg production was 1.4 billion for the year.

It is not possible to export U.S. poultry and products to Israel because of stringent rabbinical demands which American plants are unable to meet economically.

Falling broiler prices in 1999 raised per capita consumption above 30 kg/person.

Includes PSD changes: Yes
Includes Trade Matrix: No
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Executive Summary

The production value of the poultry sector, in Israel reached NS 2.7 billion in calendar year 1999, compared to NS 2.4 billion in 1998. The main reasons for the 11.7 percent increase were increased broiler production and the rise in table eggs prices.

In 1999, broiler production totaled 189 tmt (all figures as RTC), turkey production totaled 86 tmt and 1.4 billion table eggs were produced. Goose liver exports totaling 235 mt were mainly to France and Japan.

Per capita broiler consumption increased to 30.3 kg a year, mainly due to high production volumes that reduced prices; the trend of Israelis preferring fresh and chilled broiler meat over frozen birds continues. Per capita consumption of turkey reached 13 kg and of table eggs remained stable at 246 eggs per year.

Export value of poultry products in 1999 totaled about $17 million. Of this, some $4.1 million was from breeding stock, $4.3 million from turkey meat and another $8 million from goose liver exports. 68 million table eggs were also exported, due to over production.

Poultry

General

The estimated value of poultry production in 1999, was NS 2,700 million. This represents about 20 percent of the total value of agricultural production.

Table 1: Value of Poultry by Type - 1998-1999 at average annual prices
NS million

Product	1998	1999	% of 1999 total
Broiler meat	986	1,170	43
Turkey meat	517	554	20
Table eggs	548	609	23
Breeding eggs	306	314	12
Geese and other	52	45	2
Total	2,409	2,692	100

Source: Poultry Production and Marketing Board of Israel (PPMBI).

Table 2: Number of Producers and Production Sub-sectors - 1999
tmt live weight

	Family farms		Cooperative farms		Total	
	producers	quantity	producers	quantity	producers	quantity
Broilers	923	80	175	110	1,098	190
Turkeys	212	48	38	38	250	86
Table eggs *	3,503	1618	14	53	3,517	1671
Total	4,638	-	227		4,865	-

Source: PPMBI. *Table eggs in millions. Figures refer to official production quotas.

Per capita meat consumption in 1999, was about 64 kg. As over 90 percent of the population are Jews and Moslems, Israelis consume very little pork, hence the share of broiler and turkey meat is very high.

Table 3: Annual Per Capita Meat Consumption in Israel
kilograms

Type of meat	1998	1999	1999 as percent of total
Broiler	28.5	30.3	47.6
Turkey	12.4	12.9	20.2
Beef	14.9	15	23.5
Lamb	2	2	3.1
Other meat	3	3.5	5.6
Total	60.8	63.7	100

Source: Agricultural Center. Other meat refers to pork, geese and ducks.

Broilers

PSD Table						
Country:	Israel					
Commodity:	Plty, Meat, Chicken -16 wks					
		1998		1999		2000
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	8	10	7	3	1	3
Production	170	175	160	190	0	195
Whole, Imports	0	0	0	0	0	0
Parts, Imports	1	0	0	0	0	0
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	1	0	0	0	0	0
TOTAL SUPPLY	179	185	167	193	1	198
Whole, Exports	1	0	1	1	1	0
Parts, Exports	0	1	0	0	0	1
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	1	1	1	0	0
TOTAL Exports	1	1	1	1	1	1
Human Consumption	170	180	164	188	0	192
Other Use, Losses	1	1	1	1	0	1
Total Dom. Consumption	171	181	165	189	0	193
TOTAL Use	172	182	166	190	1	194
Ending Stocks	7	3	1	3	0	4
TOTAL DISTRIBUTION	179	185	167	193	1	198
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

Production

Total broiler meat production in 1999 is estimated at 190 thousand metric tons (tmt).
The most significant process in the broiler industry in the last two years is the de facto abolition of production quotas. There is still an official national quota of 180,000 mt live weight it is not enforced.

Quota cancellation caused two major changes:

1. Growers started reporting their real production volume, which caused a sharp increase in official production estimates. The basis for estimating the production volume is the official data of produced hatching eggs and day-old-chicks. The Central Beureau of Statistics (CBS) estimates 182 tmt, the Poultry Production and Marketing Board of Israel (PPMBI) estimates 187 tmt, the Agricultural Center, an umbrella farmer organization, estimates 190 tmt. Estimates by other bodies go as high as 210 tmt, live weight.
2. The poultry sector has become more efficient as larger producers buy out the smaller ones. This is the main reason for the drop in number of active growers from 2052 in 1996 to 1098 in 1999.

Table 4: Total Broiler Production

Product	Unit	1997	1998	1999
Hatching eggs	'000	201,442	202,606	220,961
Average hatching per week	'000	3,904	3,886	4,238
Chicks for local market	'000	119,246	125,047	134,631
Chicks for Palestinian Authority	'000	32,772	25,235	26,358
Estimated broiler meat production *	mt	238,000	250,000	270,000

Source: PPMBI.
* Live weight

The increase in breeding material and resulting added production caused a decline in prices paid to the producer. The wholesalers failed to reach an agreement among themselves that would curtail the production and bring it closer to consumer demand. Eventually, the government intervened, moving part of the surplus into cold storage and selling it gradually later.

Breeding Stock
Main quantities of breeding stock are imported. Imports contain mainly grand parent stocks (GPS) from which the parent stocks (PS) are produced locally. The main GPS suppliers are Ross from UK, Cobb, belonging to Tyson, and Hubbard from the U.S.A. Local PS producers that want to test new breeds also import. Recent new types include Hybro from Holland.

In the past a local breed – Anak, dominated the market. During the last year the quantities marketed by Anak dropped dramatically. Since May 2000 the company is under liquidation.

Table 5: Broiler Production Coefficients - 1999

Parameter	Unit	Israel	U.S.A
Marketing age	Days	47-48	48
Marketing weight	Kg	2.15	2.32
Mortality rate	%	7.0	5.0
Meat output per day-old-chick	kg	2.0	2.2
Kg feed per kg meat	-	2.2	1.9

Source: Agricultural Center.

Production Costs

Table 6: Cost of Producing 1 kg Live Weight - 1999
cent/kg

Cost	Cost - Israel	Costs - US
Feed	50.0	34.0
Day-old-chicks	23.4	8.8
Other variable	12.8	8.7
Payment to farmer (work + capital expenses)	16.7	9.6
Management	5.0	1.3
Total cost - farm gate	**107.9**	**62.4**
Catch and haul	3.2	3.9
Payment to Poultry Board	1.4	-
Total	112.5	66.3

Source: Agricultural Center.

In 1999, the average farm gate price was 93 cents per kg live weight, 10 percent below the 1998 price. The cost to the producer was 107.9 cents.

The main difference, in the broiler production process between Israel and U.S.A is in production organization and scale. In the U.S.A production is vertically integrated. There are no marketing or management markups while moving from one production stage to the next.

In Israel, mainly due to the former government production quota policy, there is no vertical integration. Each production stage (hatching egg production, broiler production, feed mill, dressing-plant) represents a separate profit center. This, along with the very small production scale, is the main reason for low efficiency and extra costs. Since quotas were abolished, there are some attempts at vertical integration; a process that will probably grow in the next few years. A study by private consultants calculated that under vertical integration broiler production expenses for 1 kg live weight at the slaughter house gate would be NS3.38 (82 cents), much closer to the cost in the U.S.A. Production costs in Israel will never fall to U.S. levels as the feed price in Israel will always be higher due to transportation costs of feed, much of which is imported from the U.S. The average delivered cost of broiler feed in 1999 was $225 per ton. However most of the demand for feed is by growers who have equity in the feed mill and who generally receive a rebate at the end of the year. Their final feed cost is about $200 per ton, compared to a delivered cost of less than $150 in the U.S.

Consumption
In 1999, per-capita consumption of broilers rose by 8 percent and reached 30.3 kg/year (41 kg in the U.S.). In Israel, 20 percent of the broilers go to the live market and 80 percent to dressing-plants. Of those, 55 percent are marketed as whole chickens. The rest are processed and cut.

Table 7: Average Price to Consumer for Whole Broilers
NS/kg

Year	Fresh (1)	Frozen (2)	Ratio (2/1)
1995	11.62	10.92	0.94
1996	13.27	12.57	0.95
1997	14.55	13.97	0.96
1998	14.38	13.59	0.95
1999	13.89	13.49	0.97

Source: CBS, Price Statistics Monthly.

After subsidies were discontinued on frozen chickens in 1996, consumer preference for fresh chicken grew. At present some 80 percent of sales are of fresh birds. The frozen chicken is used as a buffer by the PPMBI. The Board has an emergency stock which it releases to the market when scarcities are felt. This reduces the opportunity to import broiler meat to Israel because the shelf life of fresh birds is relatively short and, due to PPMBI intervention, scarcities are rarely felt.

1999 was the first year in which poultry processors manufactured a large variety of broiler products, but they still represent only 5 percents of the market. Market research indicates that a greater variety of processed poultry products can increase per-capita demand for poultry. Official estimates indicate that per-capita meat consumption in Israel can be expected to grow faster than the normal increase in population.

Turkeys

PSD Table						
Country:	Israel					
Commodity:	Poultry, Meat, Turkey					
		1998		1999		2000
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	1	0	0	0	0
Production	81	81	85	86	0	87
Whole, Imports	0	0	0	0	0	0
Parts, Imports	0	0	0	0	0	0
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	81	82	85	86	0	87
Whole, Exports	1	1	1	1	0	1
Parts, Exports	9	10	9	4	0	5
Intra EC Exports	0	0	0	0	0	0
Other Exports	6	11	0	5	0	6
TOTAL Exports	10	11	10	5	0	6
Human Consumption	70	70	74	80	0	80
Other Use, Losses	1	1	1	1	0	1
Total Dom. Consumption	71	71	75	81	0	81
TOTAL Use	81	82	85	86	0	87
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	81	82	85	86	0	87
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

Production

This is the only industry in the poultry sector, which has hardly experienced any government intervention during the last decade. The government, by means of the PPMBI, tried with little success to regulate production through agreements with the breeders to reduce sales of day old turkeys (D.O.T). In 1999, in the absence of an agreement, D.O.T sales increased by 13 percent over 1998. Nevertheless, production grew only by 9 percent due to severe health problems during the summer. Estimated turkey meat production in 1999 was 86 tmt. The number of producers has fallen from 500 in 1994 to 250 at the end of 1999.

1999 was also the first year that the MOA did not subsidize exports of turkey breast meat. Export of surplus turkey breasts in 1999 are estimated at 4,000 mt. The export support fund is maintained jointly by the government and the growers.

In 1999, four breeding companies supplied all the breeding material in the turkey sector.

Table 8: Turkeys - Production Coefficients - 1999

Parameter	Raise from D.O.T	Raise from 5-week old turkey
Share of production	50%	50%
Marketing age - weeks		
Males	20.2	20.2
Females	15.2	15.5
Marketing weight - kg		
Males	16.05	16.28
Females	7.94	8.17
Average	13.29	13.52
Mortality - %		
Males	12.1	7.1
Females	8.6	6.6
Average	10.3	6.8
Yield per chick - kg		
Males	14.11	15.12
Females	7.26	7.63
Average	11.92	12.6
Feed conversion - kg	2.831	2.542
Manpower - day/ton	1.19	0.91

Source: Agricultural Center.

Table 9: Total Turkey Production

Product	Unit	1997	1998	1999
Hatching eggs	‘000	15,948	15,782	17,808
D.O.T for local market	‘000	11,634	10,992	12,453
Turkey meat (LW)	‘000 mt	127	120	126

Source: PPMBI

Production Costs

Table 10: Cost of Producing 1 kg LW Turkey - 1999

NS

	Cost – NS
Feed	2.15
Breeding material	1.30
Work	0.40
Other variable	0.30
Interest of working capital	0.13
Management	0.23
Capital expenses	0.41
Total expenses at farm gate	**4.92**
Catch and haul	0.12
Payment to Poultry Board	0.05
Total	**NS 5.09**

Source: PPMBI

Consumption
Per-capita consumption of turkey, 13 kg/year, is the highest in the world, compensating for lower consumption of beef and pork than in other countries. Ninety percent of turkey meat is processed and cut. The demand for breast meat is lower than supply. The surplus is exported (mainly to Europe), usually at a loss to the producers. In Israel the lower dark parts are preferred, mainly for barbecuing, an important Israeli pastime. Consequently, breast meat sells relatively for less than the dark meat.

Table Eggs

PSD Table						
Country:	Israel					
Commodity:	Poultry, Eggs					
		1998		1999		2000
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1998		01/1999		01/2000
Layers	0	0	0	0	0	0
Beginning Stocks	20	67	20	30	5	107
Production	1720	1550	1730	1740	0	1670
Hatch Eggs, Imports	0	0	0	0	0	0
Shell Eggs, Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
Intra EC Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	1740	1617	1750	1770	5	1777
Hatch Eggs, Exports	5	5	5	5	0	0
Shell Eggs, Exports	70	75	70	68	0	60
Other Exports	0	0	0	0	0	0
Intra EC Exports	5	0	0	0	0	0
TOTAL Exports	75	80	75	73	0	60
Hatch Eggs,Consumption	0	0	0	0	0	0
Shell Eggs, Human	1450	1310	1500	1400	0	1400
Shell Eggs,OT.Use/Loss	155	157	130	150	0	150
Other Dom. Consumption	40	40	40	40	0	40
Total Dom. Consumption	1645	1507	1670	1590	0	1590
TOTAL Use	1720	1587	1745	1663	0	1650
Ending Stocks	20	30	5	107	5	127
TOTAL DISTRIBUTION	1740	1617	1750	1770	5	1777
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

Production

Table egg production is concentrated mainly in the family farm sector. Government-set quota's still control table egg production. This is mainly the result of a strong growers' lobby in the north, along the border with Lebanon. The annual national quota for producing and marketing table eggs was set at 1,671 million. More than 50 percent of the quota is allotted to growers in the Galilee region. The quota size is set according to a uniform key of 240 eggs per housed-layer. The quota is designed to satisfy the demand for table eggs but it is actually higher than consumption. The 1998 surplus was about 225 million eggs and 1999 saw an excess of 266 million eggs.

In its efforts to reduce over-production, the government continued its attempts to help producers leave the industry by purchasing production quotas from them, and encouraging the transfer of quotas from small farm owners to larger scale farms. For example: producers in the Galilee region are paid an additional 10 agorot per unproduced egg: about 100 million eggs were purchased by the MOA. The number of growers declined between 1994 and 1999 from 4,544 to 3,517 and is continuing to fall.

Table 11: Growers and Egg Production Quotas by Sub-sector - 1999
thousands of eggs

	Total Quota	No. of Farms	Average Quota
Cooperative farms	53,000	14	3,786
Family farms	1,618,000	3,503	462
Total	1,671,000	3,517	475

Source: PPMBI

Table 12: Total Table Egg Production
thousand of eggs

	1997	1998	1999
Hatching eggs	11,717	15,824	14,534
Chicks for local market	3,365	3,903	4,114
Chicks for Palestinian Authority	1,131	1,570	1,665
Estimated table egg production	1,650,000	1,550,000	1,640,000
Of which - surplus ‘000	320,121	227,534	265,199

Source: PPMBI

Surplus Removal

In recent years surplus removal was financed by the Surplus Removal Fund financed jointly by government and growers. The estimated removal cost in 1999 was NS 7.6 million. 68 million eggs, 26% of the total, were dumped on the world market.

It is possible that a considerable share of the eggs produced in the Palestinian Authority find their way to Israel because of the high price differential between the two markets. However, the influence of Palestinian growers on Israeli production is minor.

Production Costs

Table 13: Production Costs of Table Eggs - 1999
agorot per egg (100 agorot = NS 1.00)

	Cost
Feed	11.48
Chicks	3.55
Vaccines and other	1.69
Labor costs	7.68
Management	0.53
Capital expenses	3.15
Total at farm gate	**28.08**
Marketing costs	2.39
Total	**30.47**

Source: PPMBI

Consumption
Israelis consume 246 eggs per capita per year. This estimate has remained stable for the past three years.

Table 14: Average Consumer Price of No. 2 Table Eggs (65-70 grams)
NS / 12 eggs

Month	**1998**	**1999**
January	7.66	8.09
February	7.77	8.18
March	7.89	8.35
April	7.90	8.35
May	7.90	8.36
June	7.89	8.50
July	7.92	8.39
August	7.92	8.37
September	7.92	8.37
October	8.09	8.37
November	8.05	8.35
December	8.07	8.37
Average	**7.91**	**8.34**

Source: CBS, Price Statistics Monthly.
Rate of exchange: in January $1.00 = NS 3.5772 in 1998; NS 4.0798 in 1999

Feed
The main factor influencing production cost is the price of feed; it represents about 45 percent of total poultry production cost. Feeds for the poultry sector represent about 70 percent of total feed sales, 95 percent of which is imported.

Table 15: Terms of Trade in the Poultry Sector

Kg of meat and number of eggs required to purchase 1 ton of feed

Year	**Broilers Kg**	**Turkeys kg**	**Table eggs units**
1995	223	233	3144
1996	253	279	2922
1997	231	308	2890
1998	218	221	2610
1999	223	224	2770

Source: based on CBS, Price Statistics Monthly.
* Figures for year's 1995/6/7 were taken from former report, code 53.

Table 16: Poultry Feed Sales and Price by Sector - 1999

Month	**Broilers**		**Turkeys**		**Table Eggs**	
	Sales 000 mt	**Price NS/mt**	**Sales 000 mt**	**Price NS/mt**	**Sales 000 mt**	**Price NS/mt**
January	57.0	940.67	27.9	929.34	26.3	768.83
February	52.5	919.37	29.7	915.11	25.3	763.35
March	55.2	919.99	34.8	914.48	28.7	767.20
April	63.1	916.74	34.9	908.70	25.9	763.15
May	59.9	911.03	34.0	903.50	26.9	759.35
June	59.9	917.57	31.8	938.27	26.1	768.94
July	59.7	917.59	30.2	904.75	25.0	768.84
August	62.8	917.57	28.5	904.79	25.3	768.46
September	57.0	920.22	27.5	906.73	25.7	770.99
October	59.9	927.55	28.5	912.48	25.5	790.65
November	60.1	935.68	29.4	922.39	26.7	792.60
December	61.1	926.70	33.8	918.72	27.6	794.55
Total / Average	**708.1**	**922.56**	**371.0**	**914.94**	**315.0**	**773.08**

Source: CBS, Price Statistics Monthly.
Exchange rate: $1.00 = NS 4.14 (average for 1999)

Trade

Imports

Any imported meat, poultry or products thereof, must be certified kosher by the Council of the Chief Rabbinate of Israel. No American plant has been able to meet the stringent demands of Israels' Chief Rabbinate, hence importers are unable to utilize the duty-free quota of slightly more than 500 mt.

Table 17: Breeding Material Imports - Suppliers by Type

Company	Country	Grand parent stocks	Parent stocks
Broilers			
Ross	U.K.	+	+
Hubbard	U.S.A	+	+
Cobbs	U.S.A	+	-
Hybro	Holland	-	+
Turkeys			
B.U.T	U.K	+	-
Hybrid	Canada	+	-
Layers			
Hyline	U.S.A	-	+
Lohmann	Germany	-	+

Table 18: Imports of Breeding Material by Countries - 1999

Country	Amount $1,000	Percent of Total
U.S.A	2,558	54.8
U.K	1,425	30.5
Canada	239	5.1
Holland	164	3.5
Germany	180	3.9
Other	102	2.2
Total	**4,668**	**100**

Source: CBS, Foreign Trade Statistics - unpublished worksheets.

Exports

Except for goose liver, most production is directed to the domestic market. Surplus turkey meat and table eggs are exported at prices below their cost of production. Small quantities of processed kosher turkey meat are exported to a limited kosher market in Europe. Surplus breeding material, mainly PS, are exported to countries that do not have parent stock for reproduction.

Table 19: Exports of Breeding Material - Turkeys $1,000

Country	1998	1999
Italy	149	100
Belgium	98	100
France	70	50

Turkey	943	1529
Hungary	703	614
Spain	48	100
Poland	483	800
Hong-Kong	154	0
Egypt	115	200
Moroco	71	0
Russia	62	300
Uzbekistan	413	100
Nigeria	50	0
Other	337	264
Total	**3969**	**4157**

Source: CBS, Trade Statistics, 1999 - unpublished worksheets.

Table 20: Exports of Turkeys, Fresh, Chilled or Frozen - Whole or Parts
$1,000

			Ducks, Geese, Other Poultry	
Country	**1998**	**1999**	**1998**	**1999**
Germany	1965	557	1110	1300
Belgium	518	129	632	900
France	1194	1400	2806	2993
Holland	31	40	103	40
Switzerland	109	124	393	146
Japan	0	0	3021	2410
South Africa	662	524	0	0
Italy	998	700	376	400
Other	204	748	90	126
Total	**5681**	**4222**	**8531**	**8315**

Source: CBS, Trade Statistics, 1999 - unpublished worksheets.

Goose Liver Exports

Goose liver exports reached 235 mt in 1999, 4 percent less than in1998. The estimated value of exports is $7.3 million.

Table 21: Exports of Duck, Goose and Other Poultry
Fresh, Chilled or Frozen, Whole or Parts
$1,000

Country	**1998**	**1999**
Germany	1110	1300
Belgium	632	900
France	2806	2993

Holland	103	40
Switzerland	393	146
Japan	3021	2410
Thailand	33	36
Italy	376	400
Other	57	90
Total	**8531**	**8315**

Source: CBS, Trade Statistics, 1999 - unpublished worksheets.

Trade Policy
The MOA's policy is to protect domestic production which is very inefficient relative to other producers. Still, Israel's obligation under bilateral and multilateral international agreements such as the U.S. – Israel FTA agreement and the WTO, affect national trade policy for poultry. The duty free quota for poultry meat from the U.S. amounted to 562 mt in 1999. The agreement allows unlimited ex-quota imports with a tariff of NS5/kg for whole frozen broilers or turkeys, or NS9/kg for broiler or turkey parts. Such tariffs make imports practically impossible although some efficient producers in the U.S. claim they could compete even with such high duties. The kosher certification requirements, however, make it absolutely impossible to export from the U.S. to Israel.

Table 22: 1999 Duties and Levies on Imports to Israel from the U.S. According to the GATT-UR Agreements - 2000 NS/Kg and in percentage

Product	HS Code	Duty - NS	Not to Exceed
Kosher whole broilers	02071100	5.00/kg	172%
Broiler parts of all kinds	02071400	8.10/kg	112%

Live broilers	01059200	7.22/unit	146%
Whole turkeys	02072400	5.50/kg	172%
Turkey parts	02072700	8.10/kg	172%
Live turkeys	01059900	58.05/unit	167%
Table eggs	04070090	0.27/unit	164%
Chicks- layers, broilers	01051110	1.29/chick *	30%
Turkey chicks	01051910	5.68/chick **	30%
Hatching eggs- layers, broilers	04070019	0.68/egg	164%
Hatching eggs- turkeys	04070020	3.10/egg	164%

Source: MoA, Foreign Trade Dept.
* CIF price does not exceed NS 4.5/chick. ** CIF price does not exceed NS 12/chick.

Implication for US Exporters

Broilers and Turkeys – The Israeli market for poultry products is open theoretically and enables American kosher poultry producers to export to Israel. Although the recent consumption trend is towards fresh and chilled chicken, the high production cost in Israel makes it possible for a variety of American chilled and frozen poultry products to be sold in Israel. Yet, the high tariffs make imports only marginally profitable and the short shelf life of chilled products add marketing problems.

It appears that the major barrier to U.S. imports is the inability of U.S. poultry processors to meet the kashrut demands of Israel's Chief Rabbinate. Before this problem is solved all other difficulties are only theoretical as israeli law prohibits imports of nonkosher meat, poultry and their products and the council of the Chief Rabbinate of Israel is the sole authority to determine whether a product is kosher.

The Palestinian Authority is not subject to Israel's Kosher Meat Import Law. All that they require is Halal slaughter. However, the Palestinian market for imported poultry is probably much smaller than in Israel, mainly because of the lower buying power. Exporters may wish to explore it as a niche market and perhaps as a stepping stone to other markets in the Middle East.

Table eggs - There is no significant difference between U.S. and Israeli table egg prices. Transportation costs make such exports unprofitable.